



U.S. Department of Justice

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July 24, 2024

VIA EMAIL

The Honorable Georgette Castner
United States District Court
Clarkson S. Fisher Building & U.S. Courthouse
402 East State Street
Trenton, NJ 08608

Re: U.S. v. Christopher Matthaiei
Crim. No. 24-412 (GC)

Dear Judge Castner:

The Government writes to inform the Court about defendant Christopher Matthaiei's ("Matthaiei") continued post-arrest contact with an individual who is a witness to his insider trading scheme. This contact violates the terms of his pre-trial release entered by the Honorable Cathy L. Waldor on or about March 30, 2023. *See U.S. v. Christopher Matthaiei*, Mag. No. 23-9114 (CLW), ECF No. 6 (stating defendant shall "[h]ave no contact with the following individuals: co-def, co-conspirators, vics, wits w/out counsel"). On or about March 29, 2023, Matthaiei was charged by complaint with conspiracy to commit securities fraud and securities fraud for engaging in an insider trading scheme that netted millions of dollars in illegal trading profits. *See Id.* at ECF No. 1. On or about June 21, 2024, a federal grand jury sitting in Newark, New Jersey, returned a nine-count Indictment charging Matthaiei with conspiracy to commit securities fraud (Counts One and Nine) and securities fraud (Counts Two through Eight). *See U.S. v. Christopher Matthaiei*, Crim. No. 24-412 (GC), ECF No. 16.

As alleged in the Indictment, from in or around May 2020 through in or around February 2021, Matthaiei and his longtime friend and client, Sean Wygovsky ("Wygovsky"), engaged in an insider trading scheme involving the securities of special purpose acquisition companies ("SPACs") based on material nonpublic information ("MNPI") that Wygovsky received through his role as a trader at an asset management company. Despite knowing that Wygovsky had a duty to keep that MNPI confidential, and that Matthaiei and Wygovsky were prohibited from trading

on MNPI, Matthaiei traded in several SPAC securities based on the MNPI he received from Wygovsky, resulting in illicit profits of more than \$3.4 million.

During the investigation, the Government learned that Marilyn Morales (“Morales”), who works as a phlebotomist and COVID test provider, services clients, including Matthaiei, at clients’ homes and/or at her residence in Brick, New Jersey. The investigation further revealed that Matthaiei frequently communicated with Morales during the time period of the insider trading scheme, through phone calls and the exchange of messages through the encrypted messaging app WhatsApp. The WhatsApp communications between Matthaiei and Morales show that they frequently discussed SPACs during the time period of the insider trading scheme, including at least one of the SPAC securities charged in the Indictment.

On or about July 17, 2024, Matthaiei was arraigned before this Court on the Indictment. At that time, the Government informed the Court that it considered Morales a witness in this case and that therefore, consistent with the terms of his release, Matthaiei should not communicate with her outside the presence of counsel. Defense counsel objected to the Government’s classification of Morales as a witness and argued that Matthaiei requires her services for an unknown medical condition.

At this time, the Government is not asking that the Court find Matthaiei in violation of his bail conditions for his communications with Morales that preceded his arraignment. Now that the Government has informed Matthaiei of Morales’ status in this case, however, we respectfully request that this Court enforce the current conditions of his release and instruct Matthaiei not to communicate with Morales outside the presence of counsel.

Respectfully,

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